

110TH CONGRESS
1ST SESSION

H. R. 733

To amend the District of Columbia Home Rule Act to eliminate all Federally-imposed mandates over the local budget process and financial management of the District of Columbia and the borrowing of money by the District of Columbia.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 30, 2007

Ms. NORTON (for herself and Mr. TOM DAVIS of Virginia) introduced the following bill; which was referred to the Committee on Oversight and Government Reform

A BILL

To amend the District of Columbia Home Rule Act to eliminate all Federally-imposed mandates over the local budget process and financial management of the District of Columbia and the borrowing of money by the District of Columbia.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “District of Columbia
5 Budget Autonomy Act of 2007”.

1 **SEC. 2. TERMINATION OF FEDERAL MANDATES OVER**
2 **LOCAL BUDGET PROCESS AND FINANCIAL**
3 **MANAGEMENT OF DISTRICT OF COLUMBIA.**

4 (a) TERMINATION OF MANDATES.—

5 (1) IN GENERAL.—Part D of title IV of the
6 District of Columbia Home Rule Act (sec. 1–204.41
7 et seq., D.C. Official Code) is amended by adding at
8 the end the following new subpart:

9 “Subpart 3—Termination of Federal Mandates

10 “TERMINATION OF FEDERAL MANDATES

11 “SEC. 458. (a) BUDGET AND FINANCIAL MANAGE-
12 MENT GOVERNED UNDER DISTRICT LAW.—Effective with
13 respect to fiscal year 2008 and each succeeding fiscal year
14 which is not a control year—

15 “(1) the provisions of subpart 1 and subpart 2
16 shall not apply; and

17 “(2) the process by which the District of Co-
18 lumbia develops and enacts the budget for the Dis-
19 trict government for a fiscal year, and the activities
20 carried out with respect to the financial management
21 of the District government for a fiscal year, shall be
22 established under such laws as may be enacted by
23 the District.

24 “(b) NO EFFECT ON EXISTING OBLIGATIONS.—

25 Nothing in this section may be construed to relieve the
26 District of Columbia of any contractual or other financial

1 obligations incurred by the District under a budget en-
 2 acted for a fiscal year prior to fiscal year 2008.”.

3 (2) CLERICAL AMENDMENT.—The table of con-
 4 tents of such Act is amended by adding at the end
 5 of the items relating to part D of title IV the fol-
 6 lowing:

“Subpart 3—Termination of Federal Mandates

“Sec. 458. Termination of Federal mandates.”.

7 (b) ELIMINATION OF CONGRESSIONAL REVIEW PE-
 8 RIOD FOR BUDGET ACTS.—Section 602(c) of such Act
 9 (sec. 1–206.02(c), D.C. Official Code) is amended—

10 (1) in the second sentence of paragraph (1), by
 11 striking “paragraph (2)” and inserting “paragraphs
 12 (2) and (4)”; and

13 (2) by adding at the end the following new
 14 paragraph:

15 “(4) In the case of any Act adopting the annual budg-
 16 et for the District of Columbia government for fiscal year
 17 2008 or any succeeding fiscal year which is not a control
 18 year, such Act shall take effect upon the date prescribed
 19 by such Act.”.

20 **SEC. 3. TERMINATION OF FEDERAL MANDATES OVER BOR-**
 21 **ROWING OF MONEY.**

22 (a) TERMINATION OF MANDATES.—

23 (1) IN GENERAL.—Part E of title IV of the
 24 District of Columbia Home Rule Act (sec. 1–204.61

1 et seq., D.C. Official Code) is amended by adding at
2 the end the following new subpart:

3 “Subpart 6—Termination of Federal Mandates

4 “TERMINATION OF FEDERAL MANDATES

5 “SEC. 490A. (a) BORROWING GOVERNED UNDER
6 DISTRICT LAW.—Except as provided in subsection (b), ef-
7 fective with respect to fiscal year 2008 and each suc-
8 ceeding fiscal year which is not a control year—

9 “(1) the provisions of subparts 1 through 5
10 shall not apply; and

11 “(2) the process and rules by which the District
12 of Columbia issues bonds or otherwise borrows
13 money shall be established under such laws as may
14 be enacted by the District.

15 “(b) EXCEPTION FOR CERTAIN PROVISIONS.—Sub-
16 section (a) does not apply with respect to the following
17 sections:

18 “(1) Section 482 (relating to the full faith and
19 credit of the District).

20 “(2) Section 484 (relating to the nonapplica-
21 bility of the full faith and credit of the United
22 States).

23 “(3) Section 485 (relating to the tax treatment
24 of bonds and notes).

1 “(4) Section 486 (relating to legal investment
2 in bonds and notes).

3 “(c) RULE OF CONSTRUCTION.—Nothing in this sec-
4 tion may be construed—

5 “(1) to relieve the District of Columbia of any
6 obligation incurred with respect to bonds or other
7 forms of borrowing issued prior to fiscal year 2008;
8 or

9 “(2) to waive the application to the District of
10 Columbia of any other Federal law governing the
11 borrowing of funds by States or units of local gov-
12 ernment, including the Internal Revenue Code of
13 1986.”.

14 “(2) CLERICAL AMENDMENT.—The table of con-
15 tents of such Act is amended by adding at the end
16 of the items relating to part E of title IV the fol-
17 lowing:

 “Subpart 6—Termination of Federal Mandates

 “Sec. 490A. Termination of Federal mandates.”.

18 “(b) REPEAL OF CAP ON AMOUNT OF DISTRICT BOR-
19 ROWING.—Section 603(b) of such Act (sec. 1–206.03(b),
20 D.C. Official Code) is amended by adding at the end the
21 following new paragraph:

22 “(4) Paragraphs (1) through (3) shall not apply with
23 respect to fiscal year 2008 or any succeeding fiscal year
24 which is not a control year.”.

1 **SEC. 4. OTHER CONFORMING AMENDMENTS RELATING TO**
 2 **CHANGES IN FEDERAL ROLE IN BUDGET**
 3 **PROCESS.**

4 (a) **FEDERAL AUTHORITY OVER BUDGET-MAKING**
 5 **PROCESS.**—Section 603(a) of the District of Columbia
 6 Home Rule Act (sec. 1–206.03, D.C. Official Code) is
 7 amended by inserting before the period at the end the fol-
 8 lowing: “for a fiscal year which is a control year”.

9 (b) **RESTRICTIONS APPLICABLE DURING CONTROL**
 10 **YEARS.**—Section 603(d) of such Act (sec. 1–206.03(d),
 11 D.C. Official Code) is amended to read as follows:

12 “(d) In the case of a fiscal year which is a control
 13 year, the Council may not approve, and the Mayor may
 14 not forward to the President, any budget which is not con-
 15 sistent with the financial plan and budget established for
 16 the fiscal year under subtitle A of title II of the District
 17 of Columbia Financial Responsibility and Management
 18 Assistance Act of 1995.”.

19 (c) **DEFINITION.**—Section 603(f) of such Act (sec. 1–
 20 206.03(f), D.C. Official Code) is amended to read as fol-
 21 lows:

22 “(f) In this section, the term ‘control year’ has the
 23 meaning given such term in section 305(4) of the District
 24 of Columbia Financial Responsibility and Management
 25 Assistance Act of 1995.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply with respect to fiscal year 2008
3 and each succeeding fiscal year.

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